



General Assembly

Amendment

February Session, 2018

LCO No. 4008



Offered by:

REP. LESSER, 100th Dist.

REP. SIMANSKI, 62nd Dist.

To: Subst. House Bill No. **5405**

File No. 254

Cal. No. 187

"AN ACT CONCERNING CONNECTICUT CREDIT UNIONS."

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- 1 In line 7, after "subdivisions" insert "(40) and" and bracket "and 42"
 - 2 In line 8, strike "subdivision" and insert in lieu thereof "subdivisions"
 - 3 (22) and"
 - 4 In line 21, after "amended" insert "or as otherwise required by the"
 - 5 Connecticut Credit Union Act"
 - 6 In line 138, strike "members and"
 - 7 In line 251, after "commissioner" strike the opening bracket and after
 - 8 "may" insert an opening bracket
 - 9 In line 252, strike "shall"
 - 10 In line 256, strike "subsidiary of a" and strike the brackets around
 - 11 "service organization"

12 In line 266, strike the brackets around "one-to-four family" and
13 bracket "the primary"

14 In line 266, strike ", secondary or" and insert in lieu thereof "used as
15 a personal"

16 In line 267, strike "vacation"

17 In line 310, strike ", in whole or in part,"

18 In line 311, strike "ten" and insert in lieu thereof "twenty"

19 After the last section, add the following and renumber sections and
20 internal references accordingly:

21 "Sec. 501. Subsection (a) of section 36a-457a of the general statutes is
22 repealed and the following is substituted in lieu thereof (*Effective*
23 *October 1, 2018*):

24 (a) [A] At least once a year, the governing board of each Connecticut
25 credit union shall adopt [and implement] a written loan policy [that
26 requires] governing loans made pursuant to sections 36a-457a to 36a-
27 458a, inclusive, as amended by this act. The governing board of each
28 Connecticut credit union shall develop and implement internal
29 controls that are reasonably designed to ensure compliance with such
30 loan policy. The loan policy shall require written applications for all
31 extensions of credit [, and addresses] and address the categories and
32 types of secured and unsecured extensions of credit offered by the
33 credit union, the manner in which mortgage loans, member business
34 loans and insider loans will be made and approved, underwriting
35 guidelines and collateral requirements, and, [which addresses,] in
36 accordance with safety and soundness, acceptable standards for title
37 review, title insurance and appraiser qualifications, procedures for the
38 approval and selection of appraisers, appraisal and evaluation
39 standards, and the credit union's administration of the appraisal and
40 evaluation process. The commissioner may review a Connecticut credit
41 union's loan policy and may order changes to be made to ensure safe

42 and sound lending practices.

43 Sec. 502. Subsection (a) of section 36a-459a of the general statutes is
44 repealed and the following is substituted in lieu thereof (*Effective*
45 *October 1, 2018*):

46 (a) [The] At least once a year, the governing board of [a] each
47 Connecticut credit union shall adopt [and implement] a written
48 investment policy governing investments made pursuant to this
49 section and securities trading, if any. No Connecticut credit union shall
50 make any investment pursuant to this section unless the purchase and
51 holding of such investment is consistent with such policy. The policy
52 shall establish standards for the making of prudent investments which
53 shall include (1) the rating of individual investments by nationally
54 recognized rating services, if any, and (2) standards for diversification
55 of the credit union's investment portfolio among industry categories.
56 The policy shall provide for the frequent and periodic review by the
57 credit union of investments made pursuant to the policy and shall
58 provide for the reasonable and expeditious divestiture of investments
59 which the governing board, upon its review, no longer deems prudent
60 or consistent with the credit union's investment policy. The investment
61 policy and any investment made pursuant to the policy shall be subject
62 to the supervision of the commissioner concerning safe and sound
63 credit union practices."

This act shall take effect as follows and shall amend the following sections:

Sec. 501	<i>October 1, 2018</i>	36a-457a(a)
Sec. 502	<i>October 1, 2018</i>	36a-459a(a)